

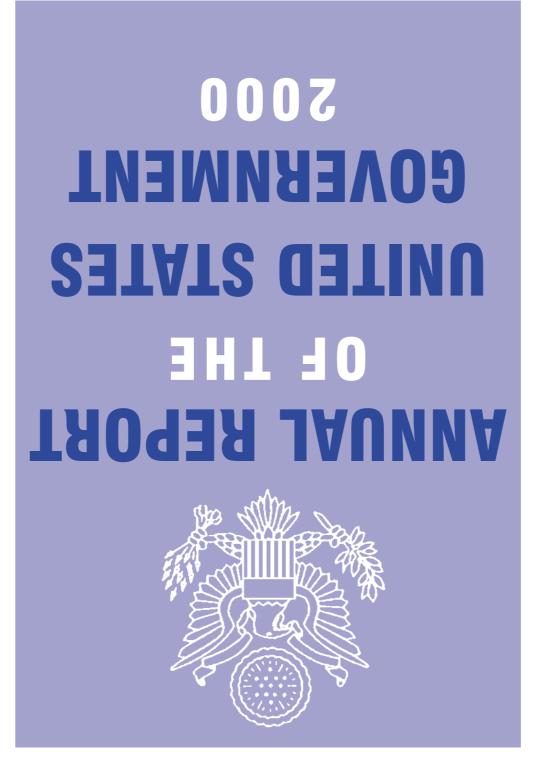
Congressman Putnam discusses the 2001 Farm Bill with Future Farmers of America.

Putnam Conservation Plan In 2001 Farm Bill

Congress reviews federal agriculture policy and passes a new Farm Bill only once every five to seven years, so the House Ag Committee's passage of the Agriculture Act of 2001 was a real milestone for the 107th Congress.

I was truly honored when my colleagues on the House Ag Committee chose to include my "American Farmland Stewardship Act" in this year's Farm Bill. "The American Farmland Stewardship Act" is the centerpiece of the new conservation programs in the 2001 Farm Bill and I hope that it will usher in a new era of incentive-based environmental programs and farmland conservation in rural America.

M.C. M.C. Presorted Standard



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Official Business

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Trade Talks Still A Concern In general, the North American Free Trade

Central Florida farmers receive no government subsidies, and many Central Florida farmers are faced with competition from countries that enjoy dramatically lower production costs due to lower labor and environmental standards than U.S. laws require, and American consumers expect.

For example, domestic citrus producers have significantly higher production costs, and the present tariff is basically equivalent to the difference in the cost of production between the U.S. and Brazil. These overseas producers continue to benefit from government subsidies that allow them to dump their surpluses in to our markets, while not incurring the environmental, worker safety, water, welfare, tax, and other costs that American growers must bear to protect American consumers.

In general, the North American Free Trade Agreement (NAFTA), while benefiting some, has led to a significant loss of market share for many Florida farmers. Recognizing that, during the month of August I co-sponsored meetings between representatives of the Florida agriculture industry, U.S. Secretary of Agriculture Ann Veneman and U.S. Trade Representative Chief Agriculture Negotiator Ambassador Alan Johnson to impress upon them the importance of ensuring Florida's ability to compete in the world market, while assuring American safety protections.

I continue to believe that food security is national security. While parts of American, and even Florida businesses, will benefit from additional trade I don't believe we should sacrifice Florida's signature crop through trade negotiations.



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A MESSAGE

FROM YOUR

CONGRESSMAN

Dear Friend and Taxpayer,

In 2000, the federal government recorded the largest tax surplus in our nation's history. Fiscal 2000 also marked America's highest peacetime tax burden – over \$2.4 trillion collected from hard-working families. This summer help is finally on the way! The tax relief bill passed by Congress and signed into law by President Bush will mean real money given back to those who overpaid.

Please take a few minutes to review this Annual Report of the Government of the United States. As a member of the House Budget Committee I worked to develop a budget that cut taxes, reduced the national debt and returned a portion of the surplus to you, so that your family budget would grow and the federal budget would shrink. That has happened according to plan. What continues to concern me is that spending increases have also lowered the surplus projections. That is why I voted against budget-busting increases in supplemental appropriations and will continue to work for federal fiscal responsibility.

Across-the-board tax relief does not often happen in Washington. In fact, since World War II it has happened only twice – President Kennedy's tax cut in the 1960s and President Reagan's in the 1980s. For the past decade the American people have seen government take an increasing share of their personal income. Cutting taxes is the only way to keep your money away from Washington's big spenders.

sincerely,

Adam Putnam

Statement of Revenues and Expenses

Individual income taxes	•	•	•	•	

Revenues

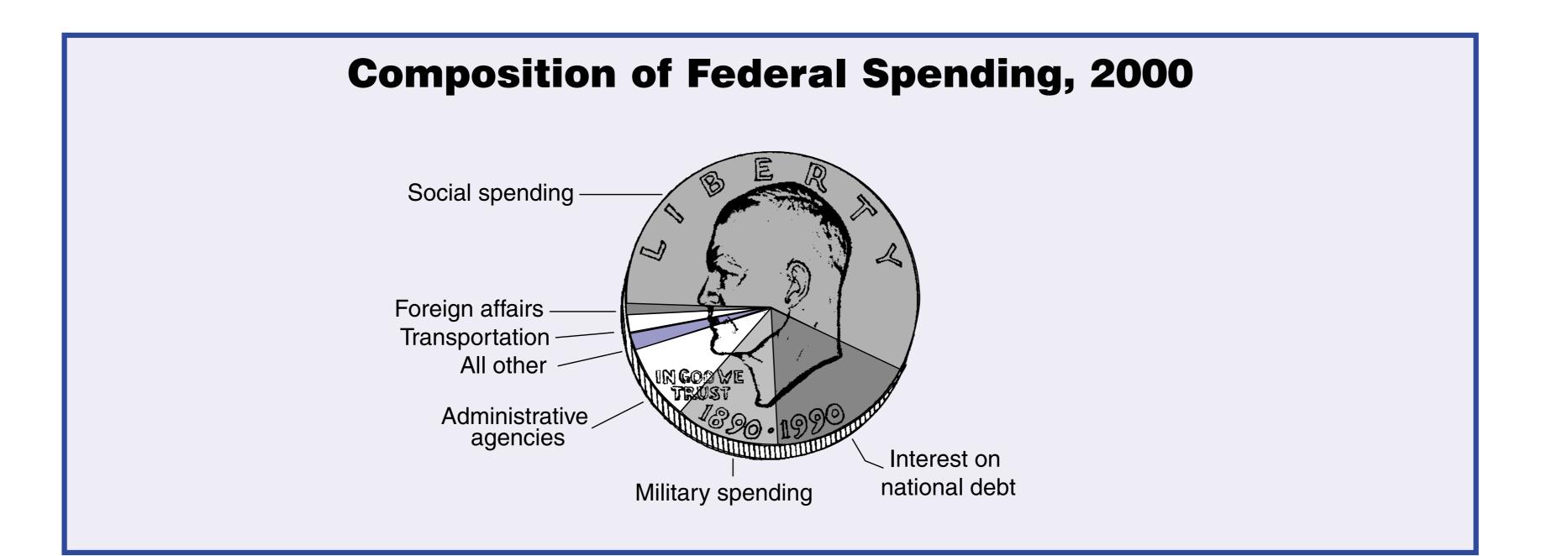
	Fiscal Year ¹		Percent of	
-	1999	2000	Total 2000	
Individual income taxes	879,480,000,000	\$ 1,004,461,000,000	42%	
Social insurance taxes ²	611,831,000,000	652,852,000,000	27%	
User fees, earmarked taxes and receipts ³	395,835,000,000	394,989,000,000	16%	
Corporation taxes	184,680,000,000	207,288,000,000	9%	
Excise taxes and customs duties	88,748,000,000	88,779,000,000	4%	
Miscellaneous receipts	34,781,000,000	42,647,000,000	2%	
Death taxes ⁴	27,782,000,000	29,010,000,000	1%	
Total Revenues	\$2,223,137,000,000	\$ 2,420,026,000,000		
Expenses				

Social spending ⁵	,173,847,000,000	\$ 1,214,292,000,000	56%
Interest on national debt	353,511,000,000	362,118,000,000	17%
Military spending	258,069,000,000	279,110,000,000	13%
Administrative agencies ⁶	187,194,000,000	194,262,000,000	9%
Transportation	47,045,000,000	51,139,000,000	2%
State and foreign affairs ⁷	30,633,000,000	32,617,000,000	1%
Environment, fish, wildlife, parks and interior ⁸	27,572,000,000	28,381,000,000	1%
NASA	13,665,000,000	13,442,000,000	1%
Judiciary	3,840,000,000	4,134,000,000	*
Congress	1,943,000,000	2,063,000,000	*
The President	1,456,000,000	1,478,000,000	*
Total Expenses	2,098,775,000,000	\$ 2,183,036,000,000	
Surplus ⁹ \$	124,362,000,000	236,990,000,000	

*Less than 1%

Notes

- 1. The U.S. Government fiscal year begins on October 1 and ends on September 30.
- 2. Includes direct taxes and payroll taxes from individuals and employers for disability insurance, Social Security and other federal retirement programs, hospital insurance taxes, and unemployment insurance taxes.
- 3. Represents receipts of federal departments and agencies netted from gross outlays in Treasury reports (such as proprietary receipts from the public, receipts from off-budget federal entities, and intrabudgetary transactions) and total undistributed offsetting receipts (including interest received by federal trust funds and rents and royalties on Outer Continental Shelf Lands).
- 4. Repealed effective January 1, 2010, by Public Law 107-16 signed by President Bush on June 7, 2001.
- 5. Includes arts, education, labor, health and human services, low income and public housing, WIC, welfare block grants, food stamps and other agricultural programs, and federal retirement programs (including Social Security).
- 6. Includes SBA, GSA, DOE, GAO, Commerce, Corporation for Public Broadcasting, District of Columbia, EEOC, Export-Import Bank, FCC, FEMA, FTC, Government Printing Office, Justice, Library of Congress, National Archives and Records Administration, National Credit Union Administration, savings & loan and bank insurance, independent agencies.
- 7. Includes outlays for Department of State, Peace Corps, OPIC, AID, foreign military sales, and other international assistance programs.
- 8. Includes EPA, National Park Service, Fish and Wildlife Service, Bureau of Land Management, Forest Service, National Oceanic and Atmospheric Administration, and major environmental programs of federal agencies.
- 9. For fiscal years 1991 and beyond, the excess of Social Security taxes over outlays for Social Security is excluded by law from deficit or surplus calculations. For the fiscal year ended September 30, 2000, however, the Clinton administration elected to include the Social Security Trust Fund in their deficit calculations, which had the effect of increasing the reported surplus by \$131 billion.

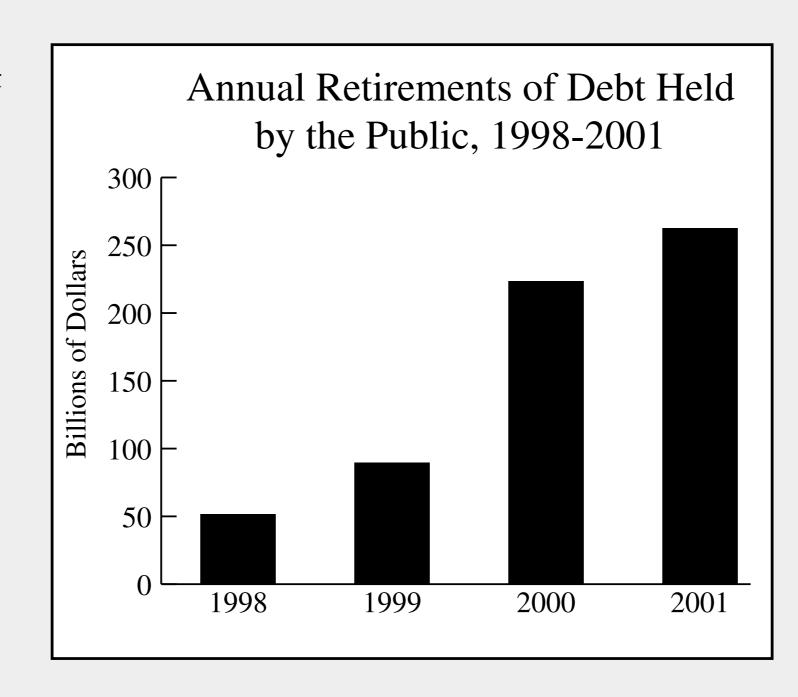


Paying Down the National Debt

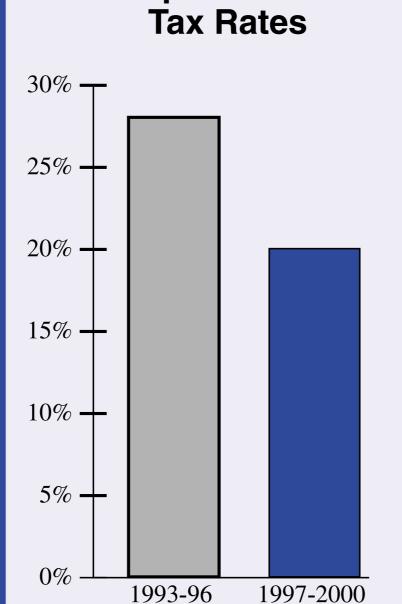
At the end of 1997, the public debt, the national debt of the U.S. government excluding intra-government obligations, stood at \$3.8 trillion. Beginning in 1998, with the enactment of the Balanced Budget Act, Congress began paying down the public debt for the first time in 30 years.

In 1998, 1999, and 2000, Congress retired \$363 billion of public debt. For fiscal 2001, total debt retirement is estimated by the Congressional Budget Office at \$262 billion. By 2010, under the terms of the Budget Resolution approved May 10, 2001, the only public debt that will remain outstanding will consist of debt instruments unavailable for redemption and which mature after 2010.

The public debt as a share of the economy has declined significantly. After reaching a peacetime high of 50% of the gross domestic product during fiscal 1993, the public debt has fallen to less than 35% of the gross domestic product today.



Effects of Changes in Capital Gains Tax Rates, 1993-2000



Capital Gains In 1997, Congress reduced the rate of tax on so-called "capital gains." This tax applies to the sale of assets such as houses, stocks, and retirement funds, as well as other kinds of productive investment. Congress, over the objections of then-President Clinton, lowered the capital gains tax rate from 28% to 20% in that year.

> Since that tax rate reduction, capital gains revenues have increased nearly 53%. Moreover, capital gains revenues increased in every year since the tax rate reduction took effect. This follows the pattern of increasing revenues following the capital gains tax rate reductions of 1978 and 1981, and is consistent with the U.S. experience of significantly declining revenues after the capital gains tax rate increase of 1986. In recent years, moderating the rate of tax on savings and investment has correlated with higher voluntary capital gains realizations and higher revenues to the U.S. Treasury.

Congress attempted to further reduce the capital gains tax rate in 1999, but then-President Clinton vetoed that legislation.





Air Force A-10 "Warthog" at Avon Park Air Force Range.

On Saturday, August 4, Chairman Christopher Shays of the National Security, Veterans Affairs and International Relations Subcommittee of the House Committee on Government Reform conducted a hearing on "Sustaining Critical Military Training Facilities: Avon Park Air Force Range" at the Avon Park Air Force Range auditorium.

As Vice Chairman of this subcommittee, I requested that we convene a meeting of the subcommittee to highlight the cooperation between the Avon Park Range and local and state government, and to assess the role of the Avon Park Range in light of the potential closing of the Vieques Range in Puerto Rico. MacDill Air Force Base and Avon Park are not only important to the economy of Central Florida, they are vital



to our national security. Avon Park Air Force Range is the largest facility of its kind east of the Mississippi and one of the most flexible training areas available to our armed forces, with a wide variety of terrain and facilities available. The Florida National Guard needs it, and with the Special Operations Command, the Southern Command, and the Central Command all headquartered in Florida it only makes sense to maximize the use of Avon Park.

While no decisions about the future of Avon Park Air Force Range have been made, President Bush has said he plans to discontinue use of Vieques by 2003. I encourage everyone interested in our national defense and the use of Avon Park to communicate with me on this important topic.



Congress comes to Avon Park as Chairman Christopher Shays and Vice Chairman Adam Putnam conduct hearing on "Sustaining Critical Military Training Facilities: Avon Park Air Force Range."